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EAP please pass to USTR Stanford McCoy and Ronald Meyers

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TAGS: [KIPR](#) [ECON](#) [JP](#)  
SUBJECT: PM KOIZUMI'S ADVISOR PROPOSES BILATERAL IPR AGENDA

11. (SBU) Summary: Intellectual Property Strategy Headquarters (IPSH) Secretary General Hisamitsu Arai set out an ambitious agenda for bilateral cooperation on IPR during a farewell call by the EMIN on July 14. Arai proposed issuing a joint statement on IPR cooperation at the next U.S.-Japan summit, concluding an anti-counterfeiting trade agreement by the end of this year, and establishing a system of mutual patent recognition. He hoped the United States and Japan would send a unified message to China on IPR. Arai, who serves as Prime Minister Koizumi's leading advisor on IPR issues, affirmed that both leading candidates to become the next Japanese PM support strong intellectual property rights and their protection. End Summary.

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Joint statement on IPR cooperation  
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12. (SBU) Arai passed to EMIN proposed text for a joint statement on IPR cooperation that could be announced at the next U.S.-Japan summit when President Bush meets with the new Japanese Prime Minister this fall. The draft statement identifies 6 areas of cooperation: 1) conclude an international agreement on counterfeits and pirated goods, 2) strengthen IPR enforcement in Asia and the world, 3) Exchange information on IPR through regular bilateral exchanges, 4) strengthen border enforcement, 5) facilitate information-sharing between U.S. and Japanese embassies in third countries on IPR issues, assistance and training programs, 6) promote public-private partnership on IPR protection strategies through joint conferences or seminars. Proposed English text is attached at the end of this cable in paragraph 9. Full copy of proposed English and Japanese text will be emailed to EAP/J.

13. (SBU) The draft is being reviewed by MOFA, METI and MOF and that they are considering when and how to bring the issue up to the next Prime Minister, according to Arai. Japan's business circles, including the Japan Business Federation (Keidanren), are in full agreement, Arai added.

14. (SBU) Given that the United States and EU have issued joint declarations on IPR in their last two summits (2005 and 2006) -- Arai contends that US-Japan should also issue a joint leaders statement. The United States and Japan are even closer in their positions on IPR issues as both are knowledge-based economies, Arai asserted.

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Anti-counterfeit and piracy agreement/treaty  
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15. (SBU) Arai believes that it should not be too difficult to reach an agreement on the text of an Anti-Counterfeit Trade Agreement (ACTA) among like-minded countries and that we should aim to finish talks by the end of this year. There is a strong support for such an agreement within Japan, including among lawmakers of ruling and opposition parties Arai stated, singling out Okiharu Yasuoka (LDP), Akira Amari (LDP), and Naoto Kan (DPJ) who is a patent attorney, as strong IPR supporters.

16. (SBU) Arai stressed that we should move as fast as possible and keep in mind that the intent of the agreement is to address the IPR problems of third-nations such as China, Russia, and Brazil, not to negotiate the different interests of like-minded countries. The new agreement could serve as a yardstick for measuring the market economy status of countries such as China and Russia.

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Mutual Recognition of Patents will boost FDI  
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17. (SBU) Arai hopes the United States and Japan will eventually establish a system of mutual patent recognition, which could serve as a model for the world. Mutual recognition of patents could play a significant role in increasing FDI into Japan, Arai pointed out.

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US-Japan Cooperation on China IPR issues  
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17. (SBU) It is important for the United States and Japan to send a unified message to China, Arai emphasized. Both the United States

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and Japan want China to transform itself into a country with a sound economy which complies with WTO rules, he noted. The US and Japan should not fight each other over differing IPR priorities -- copyright for the U.S. and patent rights for Japan -- but instead should underscore that combating counterfeits protects consumer health and safety, Arai suggested. The United States and Japan should also share information on technical assistance programs that both nations provide to China in order to reach as many people as possible and avoid redundancy.

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No Change in IPR Policy with new PM  
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18. (SBU) Both leading candidates for Prime Minister, Abe and Fukuda, are eager to promote and protect IPR, Arai said. He assured EMIN that there would be no policy shift after PM Koizumi steps down.

19. Arai's Proposed text for a Joint Statement:

U.S.-Japan Working Together for the Enforcement  
Of Intellectual Property Rights

Both the United States and Japan consider that their industry's creativity needs to be rewarded and protected through a strong and effective intellectual property rights ("IPR") system. Growing global counterfeiting and piracy threatens the competitiveness of innovative industries, the livelihoods of creative artists and workers, and the health and safety of consumers in the United States, Japan and beyond. Driven by new technologies that make it easy to rapidly produce infringing goods in commercial quantities and by fraudulent organizations, including organized criminal syndicates, that use the Internet and global trading lanes to distribute and sell those goods worldwide, this illicit activity substantially deprives rights holders of a legitimate income from their ideas, designs, brands and inventions.

Therefore, in the framework of their bilateral dialogue on IPR issues, the United States and Japan are eager to strengthen their co-operation for combating counterfeiting and piracy of goods around

the world. Besides, the United States and Japan want to act together against counterfeiting and piracy around the world by promoting international co-operation on IPR enforcement issues in both multilateral and bilateral frameworks.

Our Leaders hereby agree that to strengthen cooperation on IPR issues to promote innovation and protect health and safety of consumers, the United States and Japan will take the following actions:

- ¶1. Closely cooperate on an early realization of an international agreement to address the proliferation of counterfeit and pirated goods;
- ¶2. Enhance U.S.-Japan efforts so as to increase awareness to combat counterfeiting and piracy as well as to promote the strengthening of IPR enforcement in the Asian region and around the world;
- ¶3. Information exchange through bilateral regular meetings to promote IPR protection and enforcement around the world, and act together against counterfeiting and piracy by promoting international cooperation on IPR enforcement issues in multilateral framework;
- ¶4. Increase cooperation to strengthen border enforcement of IPR, including engagement in a joint IPR border enforcement action;
- ¶5. Create bilateral IP networks in our embassies in relevant third countries to facilitate information sharing, delivery of joint message, cooperation on training and technical assistance programs, and assisting industry enforcement efforts; and
- ¶6. Promote public-private partnership to arrange joint conferences or seminars to discuss IPR protection strategies.

SCHIEFFER